

## **Minutes**

Joint Legislative Program Evaluation Oversight Committee Meeting  
March 26, 2018

### **Members Present**

Senator Brent Jackson, Chair  
Senator Chuck Edwards  
Senator Valerie Foushee  
Senator Paul Newton  
Senator Shirley Randleman  
Senator Jeff Tarte  
Senator Joyce Waddell  
Senator Andy Wells

Representative Craig Horn, Chair  
Representative Becky Carney  
Representative Nelson Dollar  
Representative Pat Hurley  
Representative Marvin Lucas  
Representative Jason Saine

### **Call to Order**

Senator Brent Jackson, Chair, called the meeting.

Representative Lucas moved to approve the January 22, 2018 Minutes. Motion carried.

### **Presentations and Comments**

Chairman Jackson recognized Sean Hamel, PED Principal Evaluator, who gave a detailed overview of the report, *Local Education Funding Dispute Resolution Process Is Effective and Economical, but Litigation Could Be Eliminated*.

Johanna Reese from the Association of County Commissioners and Leann Winner from the School Boards Association gave the Agency's response and responded to questions from the legislators.

Matt Pagett of the Bill Drafting Division gave an overview of the legislation that could implement the PED recommendation and responded to questions about the bill. No votes taken but the bill will be considered for a vote at the next meeting.

Chairman Jackson recognized Chuck Hefren, PED Principal Evaluator, who gave a report on *Reducing Off-Season Crossings, Adjusting Fares, and Using Partnerships Can Improve Ferry Division Efficiency*.

Chairman Jackson recognized Professor Nick Didow of the UNC Kenan Flagler Business School, who presented, *Harbor Town Project, Water Transportation in the Albemarle Sound*. The Harbor Town Project is a collaborative partnership that includes several universities and institutions. This Water Ferry System business model was projected to increase tourism and create sustainable jobs and careers. The Albemarle Sound represents a significant opportunity to tourism based economic development in northeastern North Carolina.

Chairman Jackson recognized Sterling Baker of the Department of Transportation who gave an update on what DOT is doing at this time regarding the ferry system. DOT already reviews schedules and does reduce the number of crossings during period of lower use. Increase in ferry tolls could be increased in the Spring of 2018 if approved by the Board of Transportation. DOT is working with the NCDOT Transportation Planning Branch to initiate a comprehensive long range study to identify needs, quantify projected staffing and look at future funding needs.



Luke Gillenwater of the Bill Drafting Division gave an overview of the legislation that could implement the PED recommendation and responded to questions about the bill. No votes taken but the bill will be considered for a vote at the next meeting.

Chairman Jackson recognized Jim Horne, Principal Evaluator, who gave a report on *Options Exist for Increasing Lottery Proceeds for Education*. This report would determine if the Lottery is providing the maximum benefit to the State by examining its operations, existing revenue generating strategies and efforts to reduce costs. NC Lottery is slightly above average when compared with other states. The report showed that if the Lottery expanded the retailer network that revenue to the lottery would increase. Also if additional options were implemented to promote sales of tickets this could result in increased transfer to the Education Lottery Fund. The NC Lottery needs to improve how it measures the effectiveness of its advertising expenditures.

Chairman Jackson recognized Sarah Hardin of the NC Education Lottery who gave the Agency's response and responded to questions from the legislators.

Matthew Meinig of the Bill Drafting Division gave an overview of the legislation that could implement the PED recommendation and responded to questions about the bill. No votes taken but the bill will be considered for a vote at the next meeting.

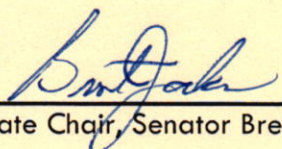
Chairman Jackson recognized Brent Lucas, Senior Evaluator, who gave a report on *Most Departments' Spans of Control and Number of Organizational Layers Do Not Meet Recommended Levels*. This report examines the efficiency and effectiveness of spans of control and organizational layers in 21 state government executive offices. This report finds that only 1 of 21 departments meets the recommended supervisor to employee ratio of 1:8, and 10 of the 21 departments have more than the recommended maximum number of organizational layers which is seven. DHHS is the only department that meets the recommended ratio for supervisors (1:8). State departments should be monitored by OSHR and OSBM should report every four years on each state department's span of control and organizational layers. Representative Dollar told the committee that as of June 1<sup>st</sup> there would be a new compensation plan implemented and time would be needed for this implementation to go forward and then these issues should be addresses.

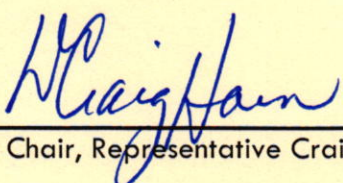
Chairman Jackson recognized Erin Matteson, Office of State Budget and Management and Lou Ann Phillips, Office of State Human Resources who gave the Agency responses and answered question from legislators.

Phyllis Pickett of the Bill Drafting Division gave an overview of the legislation that could implement the PED recommendation and responded to questions about the bill. No votes taken but the bill will be considered for a vote at the next meeting

### **Adjourn**

With no further business, the committee adjourned.

  
Senate Chair, Senator Brent Jackson

  
House Chair, Representative Craig Horn